

Your Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the *Insurance Contracts Act 1984*, to disclose to the insurer every matter that you know, or reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matter

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that your insurer knows or, in ordinary course of his business ought to know;
- As to which compliance with your duty is waived by the insurer.

Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract.

If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

Underinsurance

The classes of insurance listed below contain provisions as to average and underinsurance. This means we require you to insure for the full value or maximum potential risk. If you do not do so, and you are underinsured, the underwriter will pay you less in the event of a claim, calculated by a formula in the policy which takes account of the degree of underinsurance.

Classes of Insurance containing underinsurance clauses:

- Business insurance
- Contractors Plant and Machinery
- Construction/Liability
- Trades Insurance
- Office Insurance
- Fire
- Industrial Special Risks
- Farm Insurance
- Loss of Profits
- Machinery and Electronic